

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)	Chapter 11
)	
W. R. GRACE & CO., <u>et al.</u> ,)	Case No. 01-01139 (JKF)
)	Jointly Administered
Debtors.)	Re: Docket No. _____ and 3/21/05 Agenda Item _____

**ORDER APPROVING THE APPLICATION OF THE DEBTORS FOR THE ENTRY OF
AN ORDER AUTHORIZING EMPLOYMENT OF CAHILL, GORDON & REINDEL AS
SPECIAL COUNSEL TO THE DEBTORS**

Upon the application (the "Application")¹ of the above-captioned Debtors seeking the entry of an order under sections 327(a) and 330 of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure 2014 and 2016, authorizing and approving the retention of Cahill, Gordon & Reindel ("Cahill Gordon") as a professional engaged by the Debtors' estates; and upon the Affidavit of Kevin Burke submitted in support of the Application; and it appearing that the relief requested is in the best interest of the Debtors' estates and their creditors and other parties in interest; and it appearing that this is core matter under 28 U.S.C. § 157; and it appearing that Cahill Gordon does not represent any interest adverse to the Debtors or their estates with respect to the matters for which Cahill Gordon is to be employed; and it appearing that the Application meets all requirements for retention set forth in the Bankruptcy Code; and it appearing that the terms and conditions of Cahill Gordon's employment as further described in the Application are reasonable; and adequate notice having been given of the Application; and good and sufficient cause existing to grant the Application;

¹ Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Application.

NOW, THEREFORE, IT IS HEREBY ORDER THAT:

1. The Application is granted.
2. Pursuant to section 327(e) of the Bankruptcy Code, the retention and employment of Cahill Gordon as legal counsel for the Debtors for the purposes set forth in the Application is hereby approved, nunc pro tunc to the date that the Application was filed.
3. Cahill Gordon shall be compensated for its fees and costs, under section 330 of the Bankruptcy Code, pursuant to the procedures outlined by applicable orders in the Chapter 11 Cases (as may be amended from time to time), in amounts consistent with its engagement agreement with the Debtors.
4. The allowed fees and expenses of Cahill Gordon shall be an administrative expense of the Debtors' estates.
5. This Order shall become effectively immediately upon its entry.
6. This Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order, which is final.

Dated: March ____, 2005

The Honorable Judith K. Fitzgerald
United States Bankruptcy Judge